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Eradication of poverty and other development issues: industrial development cooperation

Report of the Second Committee*

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I. Introduction

1. The Second Committee held a substantive debate on agenda item 24 (see A/65/440, para. 2). Action on sub-item (b) was taken at the 21st and 33rd meetings, on 28 October and 1 December 2010. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/65/SR.21 and 33).

II. Consideration of draft resolutions A/C.2/65/L.11 and A/C.2/65/L.45/Rev.1

2. At the 21st meeting, on 28 October, the representative of Yemen, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Industrial development cooperation" (A/C.2/65/L.11), which read:

> "*The General A*ssembly,
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> "*Recalling* its resolutions 46/151 of 18 December 1991, 49/108 of 19 December 1994, 51/170 of 16 December 1996, 53/177 of 15 December 1998, 55/187 of 20 December 2000, 57/243 of 20 December 2002, 59/242 of 22 December 2004, 61/215 of 20 December 2006 and 63/231 of 19 December 2008 on industrial development cooperation,
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> "*Recalling also* the United Nations Millennium Declaration, the Monterrey Consensus of the International Conference on Financing for

* The report of the Committee on this item is being issued in three parts, under the symbol A/65/440 and Add.1-2.

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Development and the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),

"*Recalling further* the 2005 World Summit Outcome and resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and other internationally agreed development goals,

"*Recalling* the 2010 High-level Plenary Meeting of the General Assembly on the Millennium Development Goals and its outcome,

"*Recognizing* that industrialization is an essential driver of sustained economic growth, sustainable development and poverty eradication in developing countries and countries with economies in transition, including least developed countries, landlocked developing countries and African countries, through, inter alia, the creation of productive employment, income generation and the facilitation of social integration, including the integration of women into the development process,

"*Stressing* the importance of international cooperation to promote equitable and sustainable patterns of industrial development,

"*Recognizing* the role of the business community, the private sector, including microenterprises and small and medium-sized enterprises, in enhancing the dynamic process of the development of the industrial sector, and underlining the importance of the benefits of foreign direct investment in that process, subject to national sovereignty considerations and in accordance with the Charter of the United Nations and the principles of international law,

"*Recognizing also* the important and positive role of cooperatives as vehicles for promoting small scale industry and for the implementation of the development goals in fields such as employment policy, social integration, regional and rural development, agriculture and environmental protection,

"*Recognizing further* the importance of the transfer of technology on mutually agreed terms to the developing countries as well as countries with economies in transition as an effective means of international cooperation in the pursuit of poverty eradication and sustainable development,

"*Stressing* that positive industrial development has beneficial effects on social development, equitable economic growth and sustainable development objectives such as poverty eradication, and greater access to education and health care and employment opportunities,

"*Taking note* of the important role played by the United Nations Industrial Development Organization, including in the development of the public and private sectors, productivity growth, trade capacity-building, corporate social responsibility, environmental protection, energy access, energy efficiency, the promotion of renewable energies, and the implementation of energy interconnection initiatives among developing countries,

"*Recognizing* that the ongoing change management programme of the United Nations Industrial Development Organization aims to enhance its capacity to achieve focused, effective and efficient development results,

"*Recognizing also* the important role of international cooperation in promoting the development of small and medium-sized enterprises and their integration in productive chains at regional and national levels,

"1. *Takes note* of the note by the Secretary-General transmitting the report of the Director-General of the United Nations Industrial Development Organization;

"2. *Reaffirms* the importance of the creation of wealth for poverty reduction and the support for the actions in favour of more vulnerable communities, especially with regard to women, through the development and strengthening of productive capacities in developing countries and countries with economies in transition, including through the development of the private sector and entrepreneurship and through small and medium-sized enterprises, the promotion of agro-industry, enterprise upgrading, training, education and skills enhancement and an enabling environment for the transfer of technology on mutually agreed terms, the flow of investments and participation in global supply chains;

"3. *Also reaffirms* the essential contribution of industrial development to sustained economic growth and social development and the achievement of the internationally agreed development goals, including the Millennium Development Goals, and that in this regard it is important to promote sustainable development practices and eliminate wasteful and harmful current production and consumption patterns;

"4. *Stresses* the importance of access to modern forms of energy, advanced energy technology, including cleaner fossil fuel technologies, and the promotion of energy efficiency for advancing industrial development and for achieving the internationally agreed development goals, including the Millennium Development Goals;

"5. *Emphasizes* that, in order to set the right environment for fair and sustainable industrial development, the international community and the private sector should accelerate measures towards the development, transfer and diffusion of environmentally sound technologies to developing countries, in affordable terms, as appropriate;

"6. *Emphasizes also* that each country must take primary responsibility for its own industrial development and that national efforts should be complemented by supportive global programmes, measures and policies aimed towards a multilateral trade regime that provides greater opportunities for developing countries to expand their industrial and other processed exports and to diversify and upgrade their export product mix, thereby strengthening their capacities and facilitating the structural transformation and diversification of their economies, and to expand the development opportunities of developing countries;

"7. *Calls for* the continuing use of official development assistance for sustainable industrial development, the achievement of greater efficiency and effectiveness of official development assistance resources and industrial development cooperation between developing countries and with countries with economies in transition;

"8. *Underlines* the importance of mobilizing resources for sustainable industrial development at the international and country levels to enhance the resilience of developing countries, and in this regard calls upon the international community to support national policies related to higher education, scientific, engineering and technical skills development and a technological infrastructure specific to their needs;

"9. *Calls for* the continuing use of all other resources, including private and public, foreign and domestic resources, for industrial development in the developing countries as well as countries with economies in transition;

"10. *Underlines* the importance of promoting the creation and development of small and medium-sized enterprises as a strategy to achieve industrial development, economic dynamism and poverty eradication, including through the mobilization of resources and measures to foster social inclusion and enable cooperatives to effectively compete in their markets, on equal terms with other forms of enterprise, in order to strengthen their positive role and their ability to act as vehicles for building or increasing small and medium-sized enterprises;

"11. *Recognizes* the key role of the United Nations Industrial Development Organization in promoting sustainable industrial development and in industrial development cooperation, and welcomes its clear programmatic focus on three thematic priorities, namely, poverty reduction through productive activities, trade capacity-building and environment and energy;

"12. *Calls upon* the United Nations Industrial Development Organization to continue to implement General Assembly resolution 62/208 of 19 December 2007;

"13. *Also calls upon* the United Nations Industrial Development Organization to take appropriate action for the full implementation of General Assembly resolution 64/289 of 21 July 2010;

"14. *Welcomes* the increased cooperation of the United Nations Industrial Development Organization with the United Nations Conference on Trade and Development, the International Trade Centre UNCTAD/WTO, the World Trade Organization, the United Nations Development Programme, the United Nations Environment Programme, the World Health Organization, the Food and Agriculture Organization of the United Nations, the World Intellectual Property Organization and the regional commissions, and invites the United Nations Industrial Development Organization to continue to build and strengthen its partnership with other United Nations organizations having complementary mandates and activities, as well as with other entities including in the private sector, with a view to achieving greater effectiveness and development impact and promoting increased coherence within the United Nations system;

"15. *Takes note* of the importance placed by the United Nations Industrial Development Organization on South-South cooperation, including triangular cooperation, inter alia, through its centres for South-South industrial cooperation and through the promotion of various forms of public and private

partnerships and the exchange of experience in private sector development, at the global, regional, subregional and country levels;

"16. *Encourages* the United Nations Industrial Development Organization to continue to assist developing countries and countries with economies in transition in participating in productive activities, including in the agro-industrial sector, as well as to strengthen their capacity to engage in international trade through small and medium-sized enterprise development and to help them to meet international product and process standards;

"17. *Encourages also* the United Nations Industrial Development Organization to continue to promote environmentally sound and sustainable production, including through its programmes on cleaner production, industrial water management, industrial energy efficiency and the utilization of modern forms of energy for productive use, especially in rural areas, as well as through cooperating with United Nations and other organizations to promote global goals on access to modern forms of energy and on energy efficiency;

"18. *Welcomes* the continued support of the United Nations Industrial Development Organization for the New Partnership for Africa's Development and other programmes of the African Union, aimed at further strengthening the industrialization process in Africa, inter alia, through its role as the convener of the industry, trade and market access cluster of the regional consultation meetings led by the Economic Commission for Africa;

"19. *Recognizes* the importance of industrial development in post-conflict countries, particularly through employment-generating activities and energy access, and encourages the United Nations Industrial Development Organization to assist in these efforts within its mandate, including, where applicable, by providing assistance in the implementation of the integrated peacebuilding strategies of the Peacebuilding Commission;

"20. *Encourages* the United Nations Industrial Development Organization to strengthen its role in sustainable development and poverty eradication, through assisting developing countries and countries with economies in transition, to build human and institutional capacities, enhance international competitiveness, and promote investment and technology transfer in all sectors of priority to developing countries;

"21. *Stresses* the need for the United Nations Industrial Development Organization to strengthen its role in sustainable development and poverty eradication and promote the development of competitive industries in the least developed countries, and in this regard encourages the Organization to assist them in building human and institutional capacities, enhance international competitiveness, promote investments and technology transfer and develop the agro-industrial sector;

"22. *Encourages* the United Nations Industrial Development Organization to develop further each of its four capacities of technical cooperation, research and analysis, normative assistance and global forum activities, with the aim of enhancing the quality of the services it provides to developing countries and countries with economies in transition;

"23. Requests the Secretary-General to submit to the General Assembly at its sixty-seventh session a report on the implementation of the present resolution."

3. At its 33rd meeting, on 1 December, the Committee had before it a draft resolution entitled "Industrial development cooperation" (A/C.2/65/L.45/Rev.1), submitted by the Rapporteur of the Committee on the basis of informal consultations held on draft resolution A/C.2/65/L.11.

4. At the same meeting, the Committee was informed that draft resolution A/C.2/65/L.45/Rev.1 had no programme budget implications.

5. Also at the same meeting, the Committee adopted draft resolution A/C.2/65/L.45/Rev.1 (see para. 7).

6. In the light of the adoption of draft resolution A/C.2/65/L.45/Rev.1, draft resolution A/C.2/65/L.11 was withdrawn by its sponsors.

III. Recommendation of the Second Committee

7. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Industrial development cooperation

The General Assembly,

Recalling its resolutions 46/151 of 18 December 1991, 49/108 of 19 December 1994, 51/170 of 16 December 1996, 53/177 of 15 December 1998, 55/187 of 20 December 2000, 57/243 of 20 December 2002, 59/242 of 22 December 2004, 61/215 of 20 December 2006 and 63/231 of 19 December 2008 on industrial development cooperation,

Recalling also the United Nations Millennium Declaration,[1] the Monterrey Consensus of the International Conference on Financing for Development[2] and the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),[3]

Recalling further the 2005 World Summit Outcome[4] and resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and other internationally agreed development goals,

Recalling the High-level Plenary Meeting of the sixty-fifth session of the General Assembly on the Millennium Development Goals and its outcome,[5]

Recognizing that industrialization is an essential driver of sustained economic growth, sustainable development and poverty eradication in developing countries and countries with economies in transition, including least developed countries, landlocked developing countries and African countries, through, inter alia, the creation of productive employment, income generation and the facilitation of social integration, including the integration of women into the development process,

Stressing the importance of international cooperation to promote equitable and sustainable patterns of industrial development,

Recognizing the role of the business community, including the private sector, in enhancing the dynamic process of the development of the industrial sector, underlining the importance of the benefits of foreign direct investment in that process, and recognizing also, in this regard, that an enabling domestic environment is vital for mobilizing domestic resources, increasing productivity, reducing capital flight, encouraging the private sector and making effective use of international

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[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[4] See resolution 60/1.

[5] See resolution 65/1.

investment and assistance and that efforts to create such an environment should be supported by the international community,

Recognizing also the important and positive role of small and medium-sized enterprise clusters and organizations in the social and solidarity economy field, including cooperatives, as vehicles for promoting small-scale industry and for the implementation of the development goals in fields such as employment policy, social integration, regional and rural development, agriculture and environmental protection,

Recognizing further the importance of the transfer of technology on mutually agreed terms to the developing countries as well as countries with economies in transition as an effective means of international cooperation in the pursuit of poverty eradication and sustainable development,

Taking note of the important role played by the United Nations Industrial Development Organization, including in the development of the public and private sectors, productivity growth, trade capacity-building, corporate social responsibility, environmental protection, energy access, energy efficiency, the promotion of renewable sources of energy, and the implementation of energy interconnection initiatives among developing countries,

Noting that the ongoing programme for change in and organizational renewal of the United Nations Industrial Development Organization aims to enhance its capacity to achieve focused, effective and efficient development results,

Recognizing the important role of international cooperation in promoting the development of small and medium-sized enterprises and their integration into productive chains at the regional and national levels,

1. *Takes note* of the note by the Secretary-General transmitting the report of the Director-General of the United Nations Industrial Development Organization;[9]

2. *Reaffirms* the importance of the creation of wealth for poverty reduction and support for the actions in favour of more vulnerable communities, especially with regard to women, through the development and strengthening of productive capacities in developing countries and countries with economies in transition, including through the development of the private sector and entrepreneurship, through small and medium-sized enterprises, and through the promotion of agro-industry, enterprise upgrading, training, education and skills enhancement and an enabling environment for the transfer of technology on mutually agreed terms, the flow of investments and participation in global supply chains;

3. *Also reaffirms* the essential contribution of industrial development to the achievement of the internationally agreed development goals, including the Millennium Development Goals, and that industrial development is a key driver of sustained, inclusive and equitable economic growth as well as sustainable development, poverty eradication, income generation, greater access to education and health care, and productive employment opportunities in developing countries;

4. *Emphasizes* the need to promote, in the context of industrial development, gender equality and the empowerment of women at all levels and in decision-making processes;

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[9] A/65/220.

5. *Stresses* the importance of access to modern forms of energy and renewable energy, advanced energy technology, including cleaner fossil fuel technologies, and the promotion of energy efficiency for advancing industrial development and for achieving the internationally agreed development goals, including the Millennium Development Goals;

6. *Emphasizes* that, in order to create the right environment for sustainable industrial development, the international community and the private sector should accelerate measures to facilitate the development, transfer and diffusion of environmentally sound technologies, on mutually agreed terms, to developing countries, as appropriate;

7. *Also emphasizes* that each country must take primary responsibility for its own industrial development and that national efforts should be supported by development partners, as appropriate, and need to be complemented by a rules-based multilateral trading system that facilitates trade and provides opportunities for developing countries to expand their export product mix, strengthening their capacities and facilitating the structural transformation and diversification of their economies, which can help promote economic growth and development;

8. *Calls for* the continuing use of official development assistance for sustainable industrial development, the achievement of greater efficiency and effectiveness of official development assistance resources, and industrial development cooperation between developing countries and with countries with economies in transition;

9. *Underlines* the importance of mobilizing resources for sustainable industrial development at the country level;

10. *Calls for* the continuing use of all other resources, including private and public, foreign and domestic resources, for industrial development in the developing countries as well as countries with economies in transition;

11. *Underlines* the importance of promoting the creation and development of small and medium-sized enterprises as a strategy to achieve industrial development, economic dynamism and poverty eradication, including through the mobilization of resources and measures to foster social inclusion and enable cooperatives to effectively compete in their markets, on equal terms with other forms of enterprise, in order to strengthen their positive role and their ability to act as vehicles for building or increasing small and medium-sized enterprises;

12. *Recognizes* the key role of the United Nations Industrial Development Organization in promoting sustainable industrial development and in industrial development cooperation, and welcomes its clear programmatic focus on three thematic priorities, namely, poverty reduction through productive activities, trade capacity-building, and environment and energy;

13. *Calls upon* the United Nations Industrial Development Organization to take an active role in implementing General Assembly resolution 62/208 of 19 December 2007, on the triennial comprehensive policy review of operational activities for development of the United Nations system, and resolution 64/289 of 2 July 2010, on system-wide coherence;

14. *Welcomes* the increased cooperation of the United Nations Industrial Development Organization with the United Nations Conference on Trade and

Development, the International Trade Centre UNCTAD/WTO, the World Trade Organization, the United Nations Development Programme, the United Nations Environment Programme, the World Health Organization, the Food and Agriculture Organization of the United Nations, the World Intellectual Property Organization and the regional commissions, and invites the United Nations Industrial Development Organization to continue to build and strengthen its partnership with other United Nations organizations having complementary mandates and activities, as well as with other entities, including in the private sector, with a view to achieving greater effectiveness and development impact and promoting increased coherence within the United Nations system;

15. *Takes note* of the importance placed by the United Nations Industrial Development Organization on South-South cooperation and triangular cooperation, inter alia, through its centres for South-South industrial cooperation and through the promotion of various forms of public and private partnerships and the exchange of experience in private sector development, at the global, regional, subregional and country levels;

16. *Welcomes* the continued support of the United Nations Industrial Development Organization for the New Partnership for Africa's Development,[7] the African Agribusiness and Agro-industries Development Initiative and other programmes of the African Union, aimed at further strengthening the industrialization process in Africa, through, inter alia, its role as the convener of the industry, trade and market access cluster of the regional consultation meetings led by the Economic Commission for Africa;

17. *Recognizes* the importance of industrial development in post-conflict countries, particularly through employment-generating activities and energy access, and encourages the United Nations Industrial Development Organization to assist in these efforts within its mandate, including, where applicable, by providing assistance in the implementation of the integrated peacebuilding strategies of the Peacebuilding Commission;

18. *Encourages* the United Nations Industrial Development Organization to continue to assist developing countries and countries with economies in transition in participating in productive activities, including in the agro-industrial sector, as well as to strengthen their capacity to engage in international trade through small and medium-sized enterprise development and to help them to meet international product and process standards;

19. *Also encourages* the United Nations Industrial Development Organization to continue to promote environmentally sound and sustainable production, including through its programmes on cleaner production, industrial water management, industrial energy efficiency and the utilization of efficient, modern and affordable forms of energy for productive use, especially in rural areas, as well as through cooperation with United Nations and other organizations to promote global goals on access to modern forms of energy and on energy efficiency;

20. *Further encourages* the United Nations Industrial Development Organization to strengthen its delivery of sustainable development and poverty eradication by assisting developing countries and countries with economies in

[7] A/57/304, annex.

transition, inter alia, making use of its network of centres, to develop sustainable human and institutional capacities and to enhance international competitiveness;

21. *Encourages* the United Nations Industrial Development Organization to strengthen its delivery of sustainable development and poverty eradication and promote the development of competitive industries in the least developed countries, and in this regard encourages the Organization to assist them in building human and institutional capacities, enhance international competitiveness, promote investments and technology transfer on mutually agreed terms, and develop the agro-industrial, renewable energy, energy efficiency and pharmaceutical sectors;

22. *Also encourages* the United Nations Industrial Development Organization to continue to develop its effectiveness in each of its four capacities of technical cooperation, research and analysis, normative assistance and global forum activities, with the aim of enhancing the quality of the services it provides to developing countries and countries with economies in transition;

23. *Requests* the Secretary-General to submit to the General Assembly at its sixty-seventh session a report on the implementation of the present resolution.